

LONG TERM ECONOMIC FORECAST

Ventura County

CURRENT SETTING

Within the Southern California region, Ventura County has been one of the leaders in growth of new jobs between 1997 and 1999. The County has averaged a 3.7 percent rate of increase in employment, second only to the Inland Empire. Income growth during this time, has also been prolific, pushing consumer spending in retail stores to unprecedented levels in 1999.

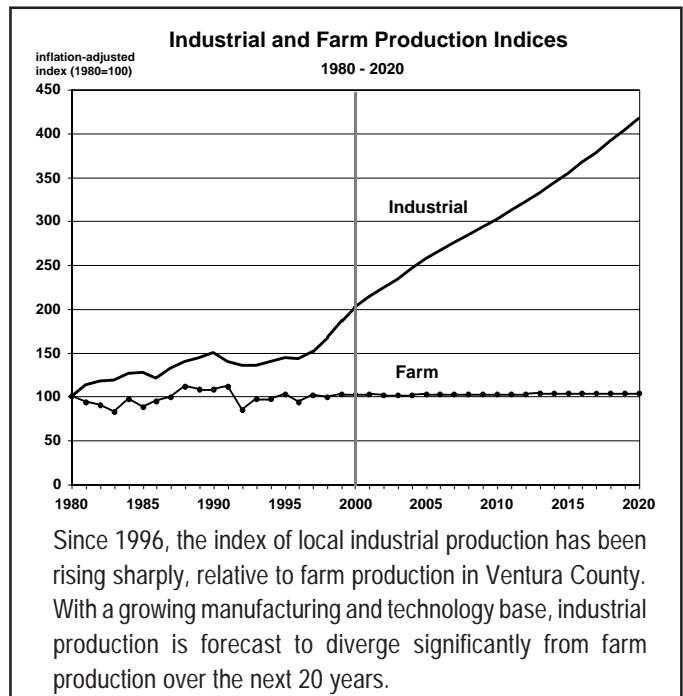
The County's population currently ranks as the twelfth largest in California, at 760,200. The U.S. Navy is the largest employer, with over 17,000 military and civilian workers. Amgen, the world's largest biotechnology firm is headquartered in Thousand Oaks, and now employs 4,800 people in Ventura County.

FORECAST SUMMARY

- After 2000, annual growth in retail sales is expected to average 2.5 percent for the remainder of the forecast. This growth forecast is off sharply from the average 5.3 percent annual sales growth between 1994 and 2000.
- The forecast has wage and salary job creation averaging 3.0 percent per year through 2003, then slowing to 1.8 percent annually from 2004 through 2020. By the end of the forecast period, nearly 34 percent of all wage and salary jobs in the county are expected to be in the services sector, up from 27.3 percent in 1999.
- Real per capita personal income is expected to grow from \$28,005 in 1999 to \$41,000 (1999 dollars) in 2020. On average, this growth is 1.8 percent per year, slightly faster than the 1.7 percent annual growth rate forecast for all of California.
- Net migration is forecast to peak in 2001 at more than 8,800 in-migrants than out-migrants. Regularly declining net migration is expected through 2008, settling to an annual average of about 2,200 over the last 12 years of the forecast.

EMPLOYMENT

Ventura County recorded very impressive job growth in 1998 and 1999. A principal slowdown is called for in



2001 and thereafter, due to very tight labor market conditions prevailing in California. The unemployment rate is averaging 3.9 percent in 2000, the lowest rate ever recorded. It is expected to remain between 4 - 5 percent during the entire forecast period.

The capacity of the region to produce more jobs combined with less housing and higher density will result in more restrained economic growth after 2004.

The services sector is expected to create jobs at an average 3.3 percent rate per year during the first decade of the new millennium. The demand for healthcare will expand as the aging Ventura County population grows rapidly through 2010. Business services include "new economy" high technology services indicative of firms along the Highway 101 corridor between Newbury Park and Agoura. This area could become the next Silicon Valley in California. There is currently over a million square feet of office and industrial space in planning that can be developed to accommodate high technology growth in Ventura County.

The semi-conductor, other electronics, and industrial tools and machinery manufacturing industries currently employ thousands of workers, principally in Oxnard and

Camarillo. The forecast calls for continued strength in manufacturing job creation through 2003. Thereafter, employment in durable manufacturing slows, due to housing and labor force constraints. Construction employment peaks in 2003, subsides in 2004, and begins to grow again later in the decade in tandem with new housing and industrial development.

INCOME

Personal income grew 6.8 percent in 1999, and per capita income jumped 5.1 percent. Adjusted for inflation, per capita income improved 2.5 percent in 1999. Personal income is forecast to rise an average 5.9 percent per year between 2001 and 2010, and 5.5 percent thereafter.

Inflation adjusted per capita income will grow 1.5 percent per year until 2010, and 2.2 percent thereafter. With less net migration forecast in the out years, population growth will diminish, enabling higher rates of per capita income growth to prevail.

HOUSING AND DEMOGRAPHICS

The net migration into Ventura County was estimated at 6,341 in 1999. Net migration is expected to remain strong in 2000, 2001, and 2002 because a greater labor force is needed to meet the labor market demands forecast for the County. Higher density and the inability of the County to develop adequate affordable housing will produce a drag on local labor markets after 2003.

ECONOMIC FORECAST: DEMOGRAPHICS, INCOME, SALES

year	Popula- tion	Net Migra- tion	Regis- tered Vehicles	House- holds	New Housing Units	Retail Sales	Personal Income	Real Per Capita Income	Farm Crop Sales	Indus- trial Output
	people	people	thousands of veh.	thousands of homes	homes	billions of \$	billions of \$	1999 \$ per person	millions of \$	billions of 1999 \$
1995	712,762	-1,393	543	228	2,162	\$4.4	\$16.9	\$25,506	\$922	\$4.2
1996	714,845	-5,455	552	230	2,353	\$4.6	\$17.7	\$26,113	\$852	\$4.2
1997	727,250	5,171	528	232	2,316	\$4.9	\$18.7	\$26,645	\$942	\$4.4
1998	735,963	4,363	565	234	3,182	\$5.2	\$19.7	\$27,331	\$937	\$4.9
1999	744,825	6,431	570	236	4,442	\$5.9	\$21.0	\$28,005	\$988	\$5.4
2000	753,820	8,373	581	239	4,610	\$6.4	\$22.7	\$28,394	\$1,028	\$5.9
2001	763,586	8,828	589	243	4,558	\$6.8	\$24.0	\$28,539	\$1,054	\$6.2
2002	773,304	8,178	597	246	4,410	\$7.1	\$25.2	\$28,646	\$1,084	\$6.5
2003	783,050	7,052	604	249	4,404	\$7.4	\$26.6	\$28,877	\$1,115	\$6.8
2004	792,497	5,901	613	252	4,255	\$7.7	\$28.2	\$29,140	\$1,152	\$7.2
2005	800,690	4,785	623	255	3,984	\$8.0	\$30.0	\$29,650	\$1,191	\$7.5
2006	810,234	3,872	637	258	3,846	\$8.5	\$31.9	\$30,267	\$1,233	\$7.8
2007	821,158	3,164	652	261	3,752	\$8.9	\$33.7	\$30,799	\$1,268	\$8.0
2008	832,231	2,671	668	263	3,701	\$9.4	\$35.9	\$31,541	\$1,299	\$8.3
2009	843,361	2,273	687	266	3,625	\$9.8	\$38.0	\$32,274	\$1,330	\$8.5
2010	854,580	2,017	706	268	3,599	\$10.3	\$40.2	\$33,032	\$1,363	\$8.8
2011	865,012	1,882	728	271	3,588	\$10.8	\$42.5	\$33,822	\$1,395	\$9.1
2012	875,470	1,836	751	274	3,570	\$11.4	\$44.9	\$34,623	\$1,427	\$9.4
2013	886,115	1,913	774	276	3,576	\$12.0	\$47.4	\$35,470	\$1,462	\$9.7
2014	896,825	2,027	798	279	3,588	\$12.6	\$50.0	\$36,255	\$1,494	\$10.0
2015	909,851	2,168	820	281	3,621	\$13.2	\$52.6	\$36,922	\$1,529	\$10.3
2016	923,895	2,308	842	284	3,689	\$13.9	\$55.4	\$37,639	\$1,564	\$10.4
2017	938,107	2,426	864	286	3,742	\$14.7	\$58.4	\$38,359	\$1,601	\$10.5
2018	952,534	2,542	886	289	3,794	\$15.5	\$61.6	\$39,151	\$1,643	\$10.6
2019	967,005	2,554	908	292	3,817	\$16.3	\$65.2	\$40,093	\$1,684	\$10.7
2020	981,565	2,698	931	294	3,857	\$17.2	\$68.9	\$40,996	\$1,725	\$10.8

Note: Historical data is shown for the years 1990 to 1999; forecasts begin in the year 2000

The demand for housing is expected to moderate because of the affordability problem, that is, steeply rising housing prices. Furthermore, the lack of multi-family “worker” housing in Ventura County will create a longer term housing dilemma that will affect labor markets in the form of future employment opportunities.

Higher home prices and existing land use constraints will limit the rate of new housing development in Ventura County over the foreseeable future. Furthermore, an aging population and slower job growth in the County after 2003 are likely to keep net in-migration at modest levels.

Department of Finance projections of population imply an average 1.3 to 1.4 percent growth rate per year over the entire forecast period.

ECONOMIC FORECAST: EMPLOYMENT

Total Wage & Salary	Farm	Cons- truction	Mining	Manu- fac- toring	Trans. & Public Utilities	Trade	Finance, Insurance, Real Estate	Total Services	Gov- ern- ment
----- thousands of jobs -----									
254.9	17.0	11.0	2.0	30.2	10.3	58.1	12.0	71.4	43.0
255.3	17.5	10.5	1.7	30.7	9.7	59.1	11.7	71.0	43.4
260.0	17.3	11.1	1.5	32.8	9.7	59.2	12.6	72.4	43.3
270.0	17.7	12.7	1.3	36.0	10.6	59.7	13.6	75.5	43.1
279.8	16.8	14.4	1.1	38.9	11.6	61.8	14.8	76.5	43.9
290.5	17.0	14.9	1.1	41.5	12.1	62.1	15.3	81.7	44.7
299.4	17.0	15.4	1.1	43.6	12.5	63.1	15.8	85.7	45.2
307.4	17.0	15.7	1.0	45.4	12.9	64.2	16.3	89.3	45.7
314.9	17.0	15.8	1.0	46.9	13.2	65.5	16.7	92.6	46.3
321.4	17.0	15.8	1.0	48.1	13.4	66.7	17.2	95.6	46.6
327.7	17.2	15.4	1.1	49.2	13.6	67.9	17.6	98.5	47.2
334.3	17.5	15.3	1.0	50.1	13.8	69.3	17.9	101.5	47.9
340.8	17.4	15.4	1.0	50.8	14.0	70.6	18.3	104.7	48.6
347.4	17.2	15.6	0.9	51.4	14.1	72.1	18.7	108.0	49.3
353.5	17.2	15.8	0.9	52.0	14.3	73.5	19.1	110.8	49.9
359.2	17.2	16.2	0.8	52.6	14.5	74.8	19.5	113.3	50.3
365.0	17.3	16.6	0.8	53.2	14.7	76.2	19.9	115.7	50.7
370.8	17.4	17.1	0.8	53.7	14.8	77.5	20.4	118.1	51.0
376.9	17.5	17.6	0.7	54.3	15.1	78.9	20.9	120.5	51.3
383.1	17.5	18.2	0.7	54.8	15.3	80.3	21.5	123.2	51.7
389.6	17.5	18.8	0.6	55.3	15.5	81.8	22.0	126.0	52.0
396.7	17.5	19.5	0.6	55.8	15.8	83.2	22.7	129.2	52.4
404.1	17.6	20.2	0.6	56.3	16.0	84.7	23.3	132.6	52.8
411.8	17.7	21.0	0.5	56.7	16.3	86.2	23.9	136.1	53.3
419.7	17.8	21.7	0.5	57.2	16.6	87.8	24.6	139.9	53.7
428.0	17.8	22.5	0.5	57.7	16.8	89.3	25.3	143.8	54.2

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